

Dear State CSBG Administrators,

As House lawmakers return this week for a short session, work continues behind the scenes on the Democrats' health care overhaul bill and other issues. The Senate does not return to town until next week.

Health Care Overhaul: Last week the White House became more directly involved with negotiations on the health care overhaul bill. And, because of the need to attract the votes of all 60 members of the Senate Democratic Caucus, it appears the final bill will look much like the Senate version. This could mean dropping the public option that was included in the House bill, creating a national insurance exchange rather than individual state exchanges, and implementing health coverage requirements starting in 2014 rather than 2013.

Moreover, it appears increasingly likely that the final agreement will include some form of the Senate's 40 percent excise tax on health insurance companies for plans that cost more than \$8,500 for individuals and \$23,000 on families. The final bill may also include some form of the House's primary revenue raiser — a surtax on the wealthy — as well as the Senate's increase in Medicare payroll taxes on individuals making more than \$200,000 and families with incomes over \$250,000. Leaders hope to complete the bill in the coming weeks.

Jobs Bill: Last Friday's disappointing jobs reports is expected to reinvigorate Democratic efforts to enact new jobs legislation. As such, Senate leaders are currently sorting through proposals for a Senate jobs package, which is expected to come to the floor once a final health care bill has been passed. The Senate package is expected to be smaller than the \$154 billion measure passed by the House in December and reportedly will focus on infrastructure, small businesses, energy efficiency and aid to states.

(Source: Congressional Quarterly)